

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting
April 12, 2007

COMMISSIONERS PRESENT

Michele Burton, M.P.H.
Wilma Chan
Diane Griffiths
Jerome Horton
Vicki Marti
Nancy McFadden

CMAC STAFF PRESENT

Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Denise DeTrano
Holland Golec
Mark Kloberdanz
Katie Knudson
Marilyn Nishikawa
Steve Soto
Becky Swol
Michael Tagupa
Karen Thalhammer

COMMISSIONERS ABSENT

Cathie Bennett Warner, Chair

EX-OFFICIO MEMBER PRESENT

Thomas Williams, Department of Finance
Toby Douglas, Department of Health Services

EX-OFFICIO MEMBER ABSENT**I. Call to Order**

The April 12, 2007 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Nancy McFadden.

II. Approval of Minutes

The March 22, 2007 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, began his report by informing CMAC that the California Children's Hospital Association (Association) had requested an opportunity to appear before CMAC in open session at the April 26 meeting. Mr. Berger indicated that the Association has in the past periodically provided an overview of the general activities, challenges and issues faced by children's hospitals. The Association has a new President and CEO, Diana Dooley, who will be accompanied by her current board chair, Bill Haug, the CEO of Children's Hospital of Central California.

Mr. Berger noted that the Association's appearance would be included as an agenda item in CMAC's next meeting notice.

Mr. Berger announced that CMAC would initiate the second round of negotiations for the Distressed Hospital Fund. The California Department of Health Services (CDHS) has notified CMAC staff that their current estimates indicate there will not be a risk of any baseline deficiencies occurring in the first year of the hospital financing waiver.

By statute, Mr. Berger said, backfilling previous-year baseline deficiencies for safety net hospitals is the first priority use of any Distressed Hospital Fund dollars in the second year and any subsequent years of operation of the Fund. Based on CDHS' determination, CMAC will be moving forward next week to initiate the second year of distressed hospital negotiations.

Mr. Berger informed the Commissioners that there were 18 managed care and hospital amendments and contracts before them for review and action in CMAC's closed session, as well as several important negotiation updates and discussions of ongoing negotiation strategies.

IV. Department of Health Services (CDHS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, began his report by updating CMAC on the Health Care Coverage Initiative, a part of the hospital financing waiver. Mr. Douglas said that the Administration has finished their application process, and made final awards to ten counties who will now be able to implement this initiative September 1, 2007. The initiative will be focused on preventative care, chronic care management, and the use of coverage through local health plans for their uninsured populations.

In response to a question raised by Commissioner Burton, Mr. Douglas indicated that those select counties would receive \$180 million per year, for three years.

Regarding the status of the State Plan Amendment (SPA) on physician services, Mr. Douglas reported that the federal government would like to study how other states define physician cost reimbursement principles before finalizing approval of the SPA. Mr. Douglas

noted that CDHS is unable to complete the stabilization fund calculations and distributions to public and private hospitals until they receive final federal approval.

Regarding the Governor's health care reform proposal, Mr. Douglas said that the Administration, a broad group of stakeholders, and legislative staff have had open discussions concerning coverage and cost containment. He noted that the Administration is not yet clear on the impact the reform will have on CMAC.

The Commissioners recommended CMAC staff be involved in future health care reform discussions. Executive Director Keith Berger indicated that CMAC staff has been a participant in some of the discussions. Mr. Douglas said CDHS will continue to work on including CMAC in the discussions.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Commissioner McFadden recessed the open session. Commissioner McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.